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CONFERENCES AT FERROMET COMPANY

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## NOTES

on a Conference Held on 13 May 1949 in the Offices of Ferromet

A list follows of those present, with notes appearing in pen next to the names:

Director Dr Hein (an ardent Communist; was a soldier both in the West and in the USSR);

Brumovsky (also from the Director's office, Department O);

Engr Jezbera, from Department I (Administration and Accounting);

Zalis, from Department II (Legal Affairs <sup>and Planning</sup> a Communist);

Dr Sulc, also from Department II (a soldier in the West; O.K.);

Jungmann from Department III) (a former National Socialist; he is afraid; O.K.);

Dr Spitzer, from Department IV (a former soldier in the West; a Communist);

Horsky, from Department V (a former soldier in the West; a Communist);

Freschl, from Department VI (O.K.; he is afraid);

Steiner, from Department IX (cadre referent!; he was a soldier in the USSR);

Kratky (Factory Council; O.K.).

The meeting was opened by, Director, Dr Hein.

Germany. Dr Spitzer announced that he was constantly receiving requests for material from Berlin. It was decided that the matter be discussed with the Russian Department II in order to find out from Zatorka <sup>and how to write to</sup> German firms <sup>to tell them</sup> ~~will have to write to~~ and told to send import permits as soon as possible.

Yugoslavia: Dr Hein reported on a talk he had with the Vice-Minister, Dr Outrata. The purpose of this talk was, among others, to determine the actual state of Yugoslav Trade. Engr Kozina will make a search in the factories to see whether some material, which is classified as <sup>"unsalable"</sup> ~~is~~ could be used domestically. For this purpose he will receive a list of all material by factory, with numbers, value, and weight.

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## Resumé of the Talk on Yugoslavia:

- 1) Final decision will be made in a few days;
- 2) Nothing new is to be delivered for production;
- 3) Goods already being manufactured are to be finished;
- 4) Production is to be directed wherever possible to current goods;
- 5) Under no circumstances is anything to be sent out of the factories;
- 6) No new contracts are to be made and all negotiations are to be extended;
- 7) A preliminary survey of the market <sup>could</sup> ~~be~~ be made in case current material is to be sold somewhere else.

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NOTES

on a Conference Held on 30 May 1949 in the Offices of Ferromet

Yugoslavia. Director Jungmann announced that the Yugoslavs had <sup>covered</sup> opened credit accounts and were urging that deliveries be made. Dr Hein answered that nothing was to be sent, and that the Yugoslavs were to be informed that for technical reasons <sup>h</sup> nothing could be sent out for the time being. A final decision will be made between 1 and 10 June 1949. Similarly if any Yugoslav commercial agent has a permit to visit a factory, he is not to be allowed to enter.

Machety. A letter was read from the Technical Department of the Metallurgical Center (Ustredi Hutí) in which it was pointed out that the functions of <sup>bank</sup> account "M" were not well understood. The metallurgical plants use this account even for their investment expenses. The point of this paragraph is not quite clear, since it is out of context. The meaning of Machety is also not clear, but presumably it is a name. <sup>7</sup>

<sup>director</sup> Babacek, of the Cadre Department, pointed out that passports must be handed in to the Cadre Department when anyone returns from abroad. Fantl said that it would be a good idea if the Cadre Department would make out personal documents for everyone, since in some cases the passport is the only identification a person has.

#### Monthly Report

14 June 1949  
on Activity in May 1949, according to Circular No 25/1948

Activity in connection with individual currency areas follows:

Currency Area I: (USSR): <sup>Promsyrteimport</sup> ~~B. [unclear]~~ has presented an order for 320 tons of crude sheet metal <sup>(under the 1950 agreement.)</sup> Delivery has been promised for 15 September 1949. An order has also been received <sup>from Promsyrteimport</sup> for 2,500 tons of heavy railroad rails under the extended 1949 agreement. We will <sup>in 1949</sup> not be able to deliver the small rails asked for. Since we have been unable to fulfill the plan for deliveries to the Czechoslovak State

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Railroads, we ~~we~~ were not able to comply with the repeated requests of Promsyr<sup>ye</sup> to import that we speed up delivery of the heavy rail. Imports of pig iron are unsatisfactory. In May 10, 128 tons were imported at a value of 29,119,000 crowns.

Currency Area II:

Bulgaria: Metalimport Sofia sent in orders at the end of the month. We ~~will be~~<sup>are</sup> unable to supply the requested concrete steel in profiles less than 12 mm, since the Ministry of Industry has stated that there ~~will~~<sup>are</sup> not ~~be~~ enough thin profiles for domestic construction. We have also received an order for railroad axles worth <sup>about</sup> 4,600,000 crowns.

Yugoslavia: On orders from higher up we ~~stopped~~<sup>have</sup>, beginning in May, all shipments to Yugoslavia until a further decision is made. The Yugoslavs have sent in new orders and asked for confirmation. Yugoslav shipyards have sent in specifications for 4,000 tons of sheet metal and profiles for ship construction.

Currency Area III:

Rumania: The General Management of Metalimport in Bucharest has sent in confirmation of the contract on the 1949 agreement. <sup>(Promised specifications)</sup> The ~~plans~~ for 510 tons of switches for heavy rails have not arrived. Our representative informs us that Rumania does not intend to order this material, but will request other items. We have received orders for signal wire, shoemaker's tacks, and electrodes, and negotiations ~~are going~~<sup>are in progress</sup> on a contract for chain. The reduction of prices for Rumania has resulted in a considerable reduction in expected income.

Hungary: We have gone over the quota assigned by the existing agreement by about 10,000,000 crowns. This is the result of accepting orders for special forgings and castings. In spite of all our efforts we have been unable to ~~imposed~~ obtain orders for pneumatic tools ~~and~~ or electrodes as part of the present agreement.

Austria: The question of importing wood screws worth 5,000,000 crowns has not been settled. Negotiations over price are still going on. In May 10, 841,000 crowns' worth of hematite iron was imported.

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Currency Area IVa: /Soviet Zone of Germany/:

SVAG /unidentified/ has sent in an order for 900 tons of boiler plate, and would like to pay for it with scrap metal.

Currency Area V:

Finland: We have offered 500 tons of rolled material on the 1950 agreement. ~~agreement~~ Since the market is saturated, <sup>we</sup> ~~we~~ shall not try to send any nails, but we have offered instead 800 tons of barbed wire and 250 tons of untreated drawn steel. We have received an order for railroad wheel sets worth 4,300,000 crowns.

Switzerland: It is becoming more and more difficult to sell goods in Switzerland. About 700 tons of <sup>unsuitable</sup> ~~material~~ material, worth about 450,000 Swiss francs, is about to be sent back.

Sweden: Conveyor belts and steel wire worth about 677,000 crowns have been imported, and the first imports of pig iron have been made.

Currency Area VII:

Argentina: We have not yet received orders for the material which we have offered for sale. The most recent reports are that the <sup>oil pipe</sup> ~~pro-~~ project has been postponed, so that the ~~new~~ deal to sell 6,000 tons of tubing will probably not be completed.

The quantity of commodity 1 /unidentified/ which has been released as a result of the changed situation in Yugoslavia has been made available for commercial and political negotiations with Poland.

We have received orders for boiler material, primarily from Holland and Sweden, and smaller quantities have been ordered by Norway and Belgium. Trade in pneumatic tools has been slow, but we expect a lot of orders when negotiations with Poland have been completed.

Our delivery periods are longer than those of our competitors, and we are endeavoring to keep precise records of the delivery periods of individual orders.

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During the month of May 2.5% of the employees were absent because of illness. A total of 4.3% of the total time worked during the month was done on overtime.

During the month 23 employees went through political indoctrination courses. Of this total, 20 were in the Zatec school, 2 in Senohradý, and one in Doksy. In May the special courses in English and Russian were stopped for three months.

Transportation of ~~all~~ goods for exports was orderly in all ~~respects~~ aspects.

## NOTES

on a Conference Held on 3 June 1949 in the Offices of Ferromet  
*The meeting was opened by the Director, Dr Hein*  
 Yugoslavia: Dr Hein reported on a telephone conversation he had with the Vice-Minister, Mr. <sup>Löbl.</sup> Löbl wanted precise information on unpaid-for deliveries to Yugoslavia, including their present status and the names of employees who were to blame. This will be done by Department I together with the Control Department.

## NOTES

on a Conference Held on 8 June 1949 in the Offices of Ferromet  
 The meeting was opened by Director Babacek.  
 Dr Spitzer reported that he had received an answer from the German firm Stahl Union & Mannesmann to the effect that they were unable to deliver precision tubing. He will try to get some through London or from Italy.  
 Portugal: Stibor reported on difficulties with an order which the Portugese placed for wire. Some deliveries have been made, but the 40 tons which were supposed to be delivered in May were not, and the Portugese ~~firm~~ firm is now closing its account with the Zivnobanka. It was decided to deliver at least 40 tons, which are finished, since Department V would not be able to send 80 tons by June.

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NOTES

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on a Meeting of Directors Held on 8 June 1949 in the Assembly Hall  
of the Chamber of Commerce

Ferromet was represented by the Second Assistant Director, Comrade Babacek, and by the Director of Department II, Comrade Fantl.

The purpose of the meeting was twofold: A) To ensure fulfillment of the export plan to the dollar area (Currency Area VII); B) To develop cooperation with the licensed companies.

A) The Ministry is particularly interested in exports to the dollar area. For this reason the correctness of the function of the licensed companies is to be judged primarily according to their fulfillment of the export plan to the dollar area.

Since the export plan to the dollar area was fulfilled by only about 50% during the first four months of 1949, the Ministry of Foreign Trade has decided:

- 1) To reorganize Currency Area VII in the Ministry;
- 2) To emphasize the personal responsibility of commercial attaches in the dollar area;
- 3) To require the managers of the licensed companies to include in their monthly reports a special report on their activity in connection with the dollar area;
- 4) To make the managers of the licensed companies responsible for:
  - a) appointing a high official responsible for following the fulfillment of the export plan to the dollar area;
  - b) issuing special weekly reports on orders received from the dollar area;
  - c) issuing special <sup>weekly</sup> reports on confirmations of such orders.

B) The rest of the meeting was devoted to a discussion of cooperation between the Ministry and the licensed companies.

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